GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3261
ANSWERED ON:07.12.2007
PAYMENT OF INSURANCE AMOUNT
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any steps to make payment of insurance amount transparent and speedy; and

(b) if so, the details thereof?

Answer

The Minister of State in The Ministry of Finance (Shri Pawan Kumar Bansal)

(a):& (b): The Insurance Regulatory and Development Authority (IRDA) has notified the Insurance and Development Authority (Protection of Policyholders` Interest) Regulations, 2002. These Regulations stipulate the duties and obligations of the insurers and policyholders in respect of an insurance contract, both at the point of sale and in the event of a claim, and setting up of in-house grievance redressal mechanism in the insurance companies, The regulations provide that upon receipt of documents completed in all respects by the insured, the insurer shall make the payment of the amount within stipulated period. In the case of delay in the payment, the insurer shall be liable to pay interest which is at the rate of 2% above the bank rate prevalent at the beginning of the financial year in which the claim is reviewed by it.